

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 10, 2023

Company name: EXEO Group, Inc.
 Stock exchange listing: Tokyo
 Stock code: 1951 URL <https://www.exeo.co.jp/>
 Representative: President and CEO Tetsuya Funabashi
 Director and Operating Officer
 General Manager of Accounts & Finance Shigeki Hayashi TEL 03-5778-1105
 Inquiries: Division
 Chief Financial Officer
 Scheduled date to file Quarterly Securities Report: August 10, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2023	124,382	2.9	2,494	(32.9)	4,711	(17.7)	2,615	(10.2)
Three months ended June 30, 2022	120,883	0.5	3,716	(55.6)	5,728	(35.8)	2,912	(47.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	24.55		24.54	
Three months ended June 30, 2022	26.56		26.54	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2023	527,774	304,182	56.6	2,817.56
As of March 31, 2023	577,941	307,941	52.5	2,832.22

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	51.00	–	51.00	102.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	60.00	–	60.00	120.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	630,000	0.4	34,000	4.4	34,900	3.3	23,600	6.1	223.87

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2023	109,812,419 shares	As of March 31, 2023	109,812,419 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	3,719,281 shares	As of March 31, 2023	2,759,091 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	106,542,880 shares	Three months ended June 30, 2022	109,661,131 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	51,453	47,031
Notes receivable, accounts receivable from completed construction contracts and other	232,567	167,614
Securities	263	123
Costs on construction contracts in progress	53,877	65,882
Other	15,645	15,234
Allowance for doubtful accounts	(83)	(80)
Total current assets	353,723	295,805
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	39,750	39,298
Land	62,701	63,154
Other, net	33,182	38,636
Total property, plant and equipment	135,635	141,089
Intangible assets		
Goodwill	15,112	14,686
Other	7,995	7,969
Total intangible assets	23,108	22,656
Investments and other assets		
Other	66,104	69,144
Allowance for doubtful accounts	(630)	(920)
Total investments and other assets	65,473	68,223
Total non-current assets	224,217	231,969
Total assets	577,941	527,774

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	75,033	50,106
Short-term borrowings	28,748	9,118
Income taxes payable	4,531	1,697
Advances received on construction contracts in progress	12,692	15,508
Provisions	4,647	3,158
Other	33,444	31,408
Total current liabilities	159,097	110,997
Non-current liabilities		
Bonds payable	30,000	30,000
Long-term borrowings	53,632	54,354
Provisions	778	696
Retirement benefit liability	10,083	10,300
Other	16,407	17,242
Total non-current liabilities	110,901	112,595
Total liabilities	269,999	223,592
Net assets		
Shareholders' equity		
Share capital	6,888	6,888
Capital surplus	28,912	29,102
Retained earnings	256,303	253,459
Treasury shares	(5,848)	(8,329)
Total shareholders' equity	286,256	281,121
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,772	9,163
Foreign currency translation adjustment	1,490	639
Remeasurements of defined benefit plans	7,678	7,998
Total accumulated other comprehensive income	16,941	17,801
Share acquisition rights	162	151
Non-controlling interests	4,580	5,107
Total net assets	307,941	304,182
Total liabilities and net assets	577,941	527,774

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	120,883	124,382
Cost of sales	105,518	108,084
Gross profit	15,365	16,297
Selling, general and administrative expenses	11,648	13,803
Operating profit	3,716	2,494
Non-operating income		
Interest income	17	30
Dividend income	397	354
Foreign exchange gains	1,063	1,676
Other	865	492
Total non-operating income	2,343	2,553
Non-operating expenses		
Interest expenses	104	203
Other	227	132
Total non-operating expenses	332	336
Ordinary profit	5,728	4,711
Profit before income taxes	5,728	4,711
Income taxes	2,720	2,038
Profit	3,007	2,672
Profit attributable to non-controlling interests	95	56
Profit attributable to owners of parent	2,912	2,615

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	3,007	2,672
Other comprehensive income		
Valuation difference on available-for-sale securities	1,644	1,391
Foreign currency translation adjustment	(130)	(862)
Remeasurements of defined benefit plans, net of tax	(958)	320
Total other comprehensive income	555	849
Comprehensive income	3,562	3,522
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,455	3,475
Comprehensive income attributable to non-controlling interests	107	47